

June 16, 2025

To Shareholders:

T&D Holdings, Inc.

Masahiko Moriyama, Representative Director and President

(Security Code: 8795, TSE Prime Market)

Notice Regarding Our Opinion on Reports Issued by Proxy Advisory Firms (ISS and Glass Lewis)

T&D Holdings, Inc. (hereinafter referred to as "the Company"), part of the T&D Insurance Group, has confirmed that Institutional Shareholder Services Inc. (hereinafter referred to as "ISS") and Glass, Lewis & Co. (hereinafter referred to as "Glass Lewis") have issued reports concerning the proposals for the 21st Annual General Meeting of Shareholders on June 26, 2025 (hereinafter referred to as "the General Meeting"). These reports address the Company's proposal, Agenda Item 2, "Election of Nine Directors Who Are Not Audit & Supervisory Committee Members," (hereinafter referred to as "the Company's Proposal") and the Shareholder proposal, Agenda Item 3, "Proposal for the Election of Two (2) Directors (Excluding Those Who Are Audit and Supervisory Committee Members)" (hereinafter referred to as "the Shareholder Proposal").

We are pleased that, in these reports, both ISS and Glass Lewis have expressed their appreciation for our efforts and achievements positively and ISS has recommended voting for the Company's Proposal and against the Shareholder Proposal, supporting the opinions of the Board of Directors in general.

Details of the reports and our opinions are described below. As we take the Shareholder Proposal and the issues concerning the Company raised in the reports by ISS and Glass Lewis seriously, we are committed to continuing constructive dialogue with our shareholders and further promoting integrated group management through strengthening group governance. By doing so, we aim to evolve our group in the medium- to long-term perspective, striving for sustainable growth and value creation.

We kindly ask the shareholders to refer to this news release and the Notice of Convocation to understand and support the Company's Proposal.

As stated in our announcements "1. Notice Regarding the Receipt of a Shareholder Proposal and the Board of Directors' Opinion on the Shareholder Proposal" dated May 15, and "2. Notice of Convocation of the 21st Ordinary General Meeting of Shareholders " dated May 20 (English version dated May 22), the Board of Directors opposed the Shareholder Proposal by a unanimous resolution of the Board of Directors.

1. https://ssl4.eir-parts.net/doc/TE8795/ir_material3/250661/00.pdf
2. https://ssl4.eir-parts.net/doc/TE8795/ir_material9/251124/00.pdf

Furthermore, Farallon Capital Management, L.L.C. ("Farallon"), the beneficial owner of the proposing shareholder of the Shareholder Proposal, has disclosed the presentation materials related to the Shareholder Proposal on June 2, which contains misleading statements. Please refer to the Appendix in this news release for additional clarification.

1. Recommendations from ISS and Glass Lewis

Agenda	Director Candidates	Company's Opinion	ISS Recommendation	Glass Lewis Recommendation
Proposal No. 2 (Company Proposal) Election of Nine Directors Who Are Not Audit & Supervisory Committee Members	Hirohisa Uehara	For	For	For
	Masahiko Moriyama	For	For	For
	Hotaka Nagai	For	For	Against
	Yoko Futami	For	For	For
	Kensaku Watanabe	For	For	For
	Masazumi Kato	For	For	For
	Kenji Fuma	For	For	For
	Yasuro Tamura	For	For	For
	Mutsurou Kitahara	For	For	For
Proposal No. 3 (Shareholder Proposal) Proposal for the Election of Two (2) Directors (Excluding Those Who Are Audit and Supervisory Committee Members)	Ken Mohan	Against	Against	Against
	Ina Kegler	Against	Against	For

2. ISS Report

(1) Content of report

ISS has recommended voting for the nine director candidates proposed by the Company and against the two director candidates proposed in the Shareholder Proposal, aligning with the opinion of the Board of Directors.

The ISS report concluded that there are no particular issues with the management under the current Board of Directors, based on facts such as strong Total Shareholder Return (TSR) and valuation metrics (PBR and PER) compared to industry peers, as well as solid business performance of the Company.

Additionally, ISS acknowledges that there are no apparent concerns related to our shareholder return policy, considering we have announced that we will increase dividends by over 50% next fiscal year, aim for a payout ratio of 60%, and have accelerated share buybacks.

Conversely, ISS concluded that Farallon's arguments have "not made a sufficiently compelling case that changes on the board".

3. Glass Lewis Report

(1) Content of report

While Glass Lewis has raised concerns regarding the holding of cross-shareholdings, we also understand that our current Board has earned a certain level of trust, as they have expressed their appreciation for our achievements including improvement in ROE. They, however, recommend voting for Ina Kegler (hereinafter "Ms. Kegler"), as they believe that appointing one of the two candidates in the Shareholder Proposal would benefit shareholders' interests, given that the outside director candidates in the Company's Proposal do not have experience in the insurance industry.

Additionally, since the maximum number of directors (excluding directors who are Audit and Supervisory Committee Members) of the Company is nine pursuant to Article 17 of the Company's Articles of Incorporation, they recommend voting against Hotaka Nagai (hereinafter "Mr. Nagai") among director candidates in the Company's Proposal.

(2) Our Opinion

1. Recommendation for Ms. Kegler in the Shareholder Proposal:

All five members of the Nomination and Compensation Committee have interviewed Ms. Kegler, and multiple discussions were held by the Nomination and Compensation Committee, the Board of Directors, etc., thereafter. As a result, the Board of Directors concluded to oppose the Shareholder Proposal by an unanimous resolution of the Board of Directors because they could not confirm that she would contribute to enhancing corporate value over the medium- to long-term.

2. Recommendation against Mr. Nagai in the Company Proposal:

Mr. Nagai has played a core role as the director in charge of the Financial Strategy Department in the "evolution of Group Capital Management," one of the growth strategies of the Company's Group Long-Term Vision. If Mr. Nagai were to be removed from the Board, we believe that it would hinder an alignment of financial and business strategies, prompt decision-making, and overall effectiveness of group governance, etc.

From the perspective of the Board's main functions such as overall strategy formulation, supervision and business management, the Company-proposed director candidates have balanced expertise, experience, and diversities, and have achieved steady results for the enhancement of corporate value in the medium- to long-term. Therefore, we believe that the Company-proposed director candidates, including Mr. Nagai, represent the optimal composition of the Board of Directors.

○ **Appendix: Presentation Materials Disclosed by Farallon on June 2**

- The followings is supplemental clarification of the presentation materials disclosed by Farallon on June 2, 2025 as the presentation materials contain misleading statements:

1. Cross-Shareholdings

Farallon claims that the balance of "substantial" cross-shareholdings is 39% of net assets, including stocks reclassified as net investments. However, these reclassified stocks as net investments do not fall under cross-shareholdings given that we had obtained consent to sell from issuing companies when we reclassified them as net investments, and these are currently managed by the asset management department of the group without restriction.

As we had disclosed, the correct ratio of cross-shareholdings to net assets is 17%.

We have disclosed details about such cross-shareholdings and reclassified stocks as net investments in the Annual Securities Reports, and we ensure appropriate disclosures in compliance with statutory regulations.

While ISS usually recommends voting against senior management directors if a balance of cross-shareholdings of a company exceeds 20% of net assets, they have recommended voting for all nine director candidates proposed by the Company.

Furthermore, as part of our commitment to reducing both domestic and foreign stocks, we have also been progressing with sale of reclassified stocks to net investment.

2. Reduction of Interest Rate Risk

Farallon claims that we are reluctant to reduce interest rate risk, but we have been minimizing domestic interest rate risk cautiously to avoid overmatching in the event of increased surrenders and changes in the yield curve.

3. Group Governance

Farallon claims that the president of T&D Holdings is selected through a "rotational system" from Taiyo Life and Daido Life. However, a president is nominated by the Nomination and Compensation Committee, which is chaired by an independent outside director, and whose majority of members are independent outside directors, after thorough deliberations and evaluations of multiple candidates, regardless of their prior affiliation. Therefore, the claim that an appointment of president is based on a rotational system is unfounded.

4. Group Synergy

Farallon claims that there is limited business synergy between Taiyo Life and Daido Life and between the domestic life insurance business and the overseas closed-book business. However, we are progressing efforts toward integrated group management, such as joint use of systems and standardization of administration, and creating business synergies, such as improving capital efficiency of domestic life insurance through reinsurance to Fortitude from our domestic insurance group company.

*For further details, please refer to the following document disclosed on May 20, 2025.

Our Views on the Shareholder Proposal and Actions for Enhancement of Corporate Value

https://ssl4.eir-parts.net/doc/TE8795/ir_material4/251014/00.pdf